~~APPENDIX A-1~~

~~Provider Number~~ ~~FY: 09/30/84~~

~~Provider Name~~ ~~Audit Status Unaudited~~

~~Address~~

		~~COL A Resid./ Inst.~~	~~COL B Non-amb./ Medical~~	~~COL C TOTAL~~
~~A.~~	~~Alloc of Exp (Excl B&C)~~			
~~1.~~	~~Resident Days~~	~~2461~~	~~8325~~	~~10786~~
~~2.~~	~~OPER. EXPENSE COMP~~			
~~a.~~	~~Administration~~	~~-~~	~~-~~	~~120482~~
~~b.~~	~~Plant Operation~~	~~-~~	~~-~~	~~45060~~
~~c.~~	~~Laundry~~	~~-~~	~~-~~	~~15265~~
~~d.~~	~~Housekeeping~~	~~-~~	~~-~~	~~29090~~
~~e.~~	~~Oper. Exp. Comp and Per Diem~~	~~19.460~~	~~19.460~~	~~209897~~
~~3.~~	~~Resident Care Expense~~			
~~a.~~	~~Dietary~~	~~-~~	~~-~~	~~74861~~
~~b.~~	~~Other~~	~~-~~	~~-~~	~~34188~~
~~c.~~	~~Nursing~~	~~-~~	~~-~~	~~86018~~
~~d.~~	~~Res. Care Exp. and Per Diem~~	~~18.0852~~	~~18.0852~~	~~195067~~
~~4.~~	~~PROP. EXP. COMP. AND PER DIEM~~	~~8.605~~	~~8.605~~	~~92812~~
~~5.~~	~~ROE/UA COMP & PER DIEM~~	~~6.604~~	~~6.604~~	~~71236~~
~~B.~~	~~DIRECT CARE EXPENSE~~			
~~1.~~	~~Staffing~~	~~.75~~	~~1.~~	~~-~~
~~2.~~	~~Total Staffing Required~~	~~1845.75~~	~~8325~~	~~10,171~~
~~3.~~	~~Staffing Percent~~	~~18.148%~~	~~81.852%~~	~~100%~~
~~4.~~	~~Alloc. of Direct Care~~	~~55,334.34~~	~~249,571.66~~	~~304906~~
~~5.~~	~~Dir. Care Exp. Per Diem~~	~~22.484~~	~~29.979~~	
~~C.~~	~~ADDITIONAL SERVICES EXPENSE~~			
~~1.~~	~~Medicaid Patient Days~~	~~2461~~	~~8275~~	~~10736~~
~~2.~~	~~Add. Ser. (Sch.AM-6)~~	~~36780~~	~~69380~~	~~106160~~
~~3.~~	~~Add. Ser. Exp. Per Diem~~	~~14.951~~	~~8.3839~~	
~~D.~~	~~MEDICAID PER DIEM COST~~			
~~1.~~	~~Operating Component~~	~~19.460~~	~~19.460~~	~~209897~~
~~2.~~	~~Resident Care Component~~	~~55.520~~	~~56.448~~	~~606133~~
~~3.~~	~~Property Cost Component~~	~~8.605~~	~~8.605~~	~~92812~~
	~~Subtotal (Schedule BM)~~	~~-~~	~~-~~	~~-~~
~~4.~~	~~ROE/USE ALLOW Comp.~~	~~6.604~~	~~6.604~~	~~71236~~
~~5.~~	~~TOTAL PER DIEM COST~~	~~90.189~~	~~91.117~~	~~980078~~

APPENDIX B

CALCULATION OF THE
FLORIDA ICF/MR-DD COST INFLATION INDEX

1. Weights.

Percentage weights for cost components shall be based on cost reports filed for fiscal years ending in 1983. These percentage weights are:

Salaries and Benefits	65.66%
Dietary	4.94%
All Other	29.40%
	100.00%

2. Inflation index for each component

An inflation index for each of these components is developed from the Data Resources, Inc. (DRI) Skilled Nursing Facility Market Basket of Routine Services Costs inflation indices as follows:

COMPONENT	DRI INDEX
Salaries and Benefits with Employee Benefits	Wages and Salaries, combined
Dietary	Food
All Others with other expenses	Fuel and Utilities, combined

The DRI indices that are combined are merged by summing the products of each index times the ratio of the respective DRI budget share to the total share represented by the combined indices.

Example: Calculation of the Salaries and Benefits combined index for the third quarter of 1984 using Health Care Costs, Third Quarter 1983 Series, p. 15:

DRI Wages and Salaries index = 1.043; Budget Share = .602

DRI Employee Benefits index = 1.073; Budget share = .084

Weighted Combination (Salaries and Benefits) =
(1.043 x (.602/(.602 + .084))) + (1.073 x (.084/
(.602 + .084))) = 1.047

3. Quarterly and monthly indices.

A weighted quarterly index is then constructed by summing the products of the weights and quarterly component indices. This quarterly composite index is used to obtain monthly indices called the Florida ICF/MR-DD Cost Inflation Index by averaging pairs of quarterly indices and interpolating between these averages as follows:

Quarter Midpoint Quarter	Index	Average Index	Corresponding Month
1984:1	1.029		
		1.032	March 31
184:2	1.035		
		1.042	June 30
1984:3	1.048		
		1.054	September 30
1984:4	1.059		

April 30 Index = (June 30 Index/March 31 Index)$^{1/3}$ x (March 31 Index)
= (1.042/1.032)1/3 x 1.032
= 1.035

May 30 Index = (June 30 Index/March 31 Index)$^{2/3}$ x (March 31 Index)
= (1.042/1.032)2/3 x 1.032
= 1.039

All other monthly indices can be calculated in a similar fashion.

4. Inflation Factors

The inflation factors used to set both target rates of inflation and prospective payment rates utilize 13 indices in order to recognize full inflation for a 12-month period. This is necessary because each index represents the relative level of costs at the end of the month, so that a complete 12-month inflation trend must start with the index as of the last day of the month prior to the 12-month period. Example: Calculation of target rate of inflation factor for provider with a June 30 fiscal year end.

1984 Target factor = $\frac{\text{average of inflation indices from June 1983 through June 1984}}{\text{average of inflation indices from June 1982 through June 1983}}$

$$= \frac{(.994 + .999 + 1.004 + 1.009 + 1.014 + 1.018 + 1.023 + 1.026 + 1.029 + 1.032 + 1.035 + 1.039 + 1.042)/13}{(.950 + .954 + .958 + .962 + .966 + 971 + .975 + .979 + .982 + .986 + .989 + .992 + .994)/13}$$

$$= \frac{1.020}{.974}$$

$$= 1.047$$

In the example above, the indices for June 30, 1982, .994, and June 30, 1983, .950 are taken to represent the relative level of costs on July 1, the beginning of the fiscal year, and the end of the fiscal year, respectively. Hence, in order to measure the change in the relative level of costs for a fiscal year ending June 30, the 13 indices are used to capture a complete 12-month period.

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APPENDIX C

Provider Number _____ Rate Semester _____
Base Period/Audit Status _____

Provider Name _____
Current Period/Audit Status _____

Incentive Eligibility Period from April 1, 1990 through September 30, 1990 Total Eligible Days 153 of 183 Eligibility Factor (83.61%)

STEP A 1	2	3	4	5
6 7	8	9	10	11
12				
9/30/83	1.045	1.060	9/30/84	

	Allowable prior period cost per diem	Incentive Col 5 Inflate x oper Col. 1 (50%) factor (20%)*	Max allow incen. Col. 4 Inflate x oper Col. 1 plus (10%) factor (2%)*	Incentive Col. 2 lesser of Col. 1 1/2% cost by 9* x Elig Fact(.8361)Col.7*	Incentive Actual after current period 8 or Col. offset per diem Col.4 *	Excess not Col. 2 minus Col. 10 - Col. 7 or Col.10*
Lesser Excess offset Col. 3 - Col. 4* Col. 2*						
Res/Inst oper	19.15	20.020	20.308	19.460	.560	
19.460	-----	.280	1.946	.280 .234		-----
----						
res care	43.982	45.961	46.621	48.985	-----	
46.621	-.660	-----	-----	----	-----	
-----.380						
N-A/Med oper	19.158	20.020	20.308	19.460	.560	
19.460	-----	.280	1.946	.280 .234	.271	.225
res care	55.855	58.369	59.206	58.378	-----	
58.378	-.009	-----	-----	-----	-----	--
--						

*Not less than zero.

Appendix C

Page Two

~~STEP B--Inter-class Incentive Offset~~

	~~Resid/Inst~~	~~N-A/Med~~
~~Resident Days~~	~~2461~~	~~8325~~

~~1. Amount of excess greater than other class allowed incentive (Col A-12)~~
~~2. Resident days from other class~~
~~3. Excess from other class times resident days other class (line 1 x line 2)~~

~~4. Incentive allowed in class (Col. A-11)~~
~~5. Resident days of class~~
~~6. Incentive in class times resident days in class (line 4 x line 5) 2256.075 1873.125~~

~~7. Line 6 less line 3 (not less than zero)~~
~~8. Incentive per diem allowed (line 7 over line 5)~~

~~STEP C--Total Base Per Diem and Prospective Rate~~

	~~Prospective Rate-Inflate by 5.29%~~	~~Interim Allowable Rate-Base (Col A-6) Component~~	~~Incentive-Total (A-11 or B-8) Rate~~	~~Total~~
~~Res/Inst Operating~~	~~20.619~~	~~19.460*~~	~~20.62~~	~~19.583*~~
~~Resid. Care~~	~~49.087~~	~~46.621~~	~~49.09~~	~~46.621~~
~~Property~~	~~8.605~~	~~8.605~~	~~8.61~~	~~8.605~~
~~ROE/Use Allow.~~	~~6.604~~	~~6.604~~	~~6.60~~	~~6.604~~
~~TOTAL~~	~~84.915~~	~~81.290~~	~~84.92~~	~~81.413~~

~~N-A/Med Operating~~	~~19.583*.573*~~	~~20.619 .608~~	~~.159*.113 20.62 .61~~	
~~Resid. Care~~	~~61.466~~	~~58.378~~	~~61.47~~	~~58.378~~
~~Property~~	~~8.605~~	~~8.605~~	~~8.61~~	~~8.605~~
~~ROE/Use Allow.~~	~~6.604~~	~~6.604~~	~~6.60~~	~~6.604~~
~~TOTAL~~	~~97.294~~	~~93.047~~	~~97.30~~	~~93.170~~

~~*Since operating component must be the same; weighted average: 19.460 + (.159 x 8325 / 10,786) = 19.583~~

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FLORIDA TITLE XIX INTERMEDIATE CARE FACILITY FOR THE MENTALLY RETARDED AND DEVELOPMENTALLY DISABLED REIMBURSEMENT PLAN FOR FACILITIES NOT PUBLICLY OWNED AND NOT PUBLICLY OPERATED (FORMERLY KNOWN AS ICF-MR/DD FACILITIES)

VERSION I

EFFECTIVE DATE: October 1, 1998

I. Cost Finding and Cost Reporting

A. Each intermediate care facility for the mentally retarded and developmentally disabled (ICF/MR-DD) that is not publicly owned and not publicly operated which is participating in the Florida Medicaid program and being reimbursed under the provisions of this reimbursement plan shall submit a cost report to the Florida Agency for Health Care Administration (AHCA or agency) postmarked or accepted by a common carrier no later than 3 calendar months after the close of its cost reporting year. Upon written request, AHCA shall grant an extension of time up to six months from fiscal year end for filing cost reports. An extension for filing a cost report is not an exception to the February 1, and August 1 dates in determining which cost reports are used to establish rates effective April 1 and October 1 of each year. Four complete, legible copies of the cost report shall be submitted to the Agency for Health Care Administration. The cost reporting forms and instructions shall be the same as used for facilities reimbursed in accordance with Rule 59G-6.040, F.A.C.

B. Cost reports used to establish rates effective April 1, 1998 or the most current cost report received by the agency as of August 1, 1998 shall be used to establish rates effective October 1, 1998 for all facilities that were being reimbursed in accordance with Rule 59G-6.040, F.A.C. as of April 1, 1998.

C. All providers are required to detail all of their costs for their entire reporting period, making appropriate adjustments as required by this plan for determination of allowable costs. The cost report must be prepared using the accrual basis of

Amendment 98-25
Effective 10/1/98
Supersedes NEW
Approval MAR 10, 1999

accounting in accordance with generally accepted accounting principles, as incorporated by reference in Rule 61H1-20.007 F.A.C., the methods of reimbursement in accordance with Medicare (Title XVIII) Principles of Reimbursement, the Provider Reimbursement Manual HCFA PUB.15-1 (1993), incorporated by reference in Rule 59G-6.010, F.A.C., except as modified by the Florida Title XIX ICF/MR-DD Reimbursement Plan for Facilities Not Publicly Owned and Not Publicly Operated (Formerly Known as ICF-MR/DD Facilities), and State of Florida Administrative Rules. The HCFA PUB.15-1 Manual may be obtained from the regional Health Care Financing Administration office in Atlanta. The person preparing the cost report must sign the cost report as the preparer. Cost reports, which are not signed, shall not be accepted.

D. If a provider submits a cost report late, after the 90 day period, and that cost report would have been used to set a lower reimbursement rate for a rate semester had it been submitted within 90 days, then the provider's rate for that rate semester shall be retroactively calculated using the new cost report, and full payments at the recalculated rate shall be effected retroactively. A provider who does not file within 180 days of the end of his cost reporting period shall have his contract canceled.

E. A provider which voluntarily or involuntarily ceases to participate in the Florida Medicaid Program or experiences a change of ownership must file a final cost report within 90 days of withdrawal from the program when that provider has been receiving an interim reimbursement rate.

F. All providers are required to maintain financial and statistical records in accordance with Title 42 Code of Federal Regulations (CFR) (1997), Sections 413.24 (a),(b),(c) and (e). The cost report is to be based on financial and statistical records maintained by the provider. Cost information must be current, accurate, and in sufficient detail to support costs set forth in the report. This includes all ledgers, books, records, original evidence of cost and other records in

accordance with HCFA PUB.15-1 (1993) which pertain to the determination of allowable costs, and must be capable of being audited and available within the State of Florida for auditing by state and federal agencies and their representatives within 20 days of the request. All accounting and other records must be brought up to date within 30 days of the end of each fiscal quarter. These records shall be retained by the provider for a minimum of 3 years following the date of submission of the cost report form to AHCA.

G. Records of organizations determined by AHCA to be related as defined by 42 CFR 413.17 (1997) must be available upon demand within the State of Florida to representatives, employees, or contractors of AHCA, the Florida Auditor General, U.S. General Accounting Office (GAO), or U.S. Department of Health and Human Services (HHS).

H. AHCA shall retain all uniform cost reports submitted for a period of at least 3 years following the date of submission of such reports and shall maintain those reports pursuant to the record-keeping requirements of 42 CFR 431.17 (1997). Access to submitted cost reports shall be in conformity with Chapter 119, Florida Statutes.

I New providers entering the program must submit a cost report for a period of not less than 12 months for purposes of setting prospective rates. A partial-year cost report may be submitted initially, but may be used only to adjust the interim budgeted rate in effect.

J. The provisions of this reimbursement plan shall apply to all ICF-MR/DD Facilities Not Publicly Owned and Not Publicly Operated (Formerly Known as ICF-MR/DD Facilities). These facilities shall include ICF-MR/DD facilities that are publicly owned and the State of Florida is the Medicaid provider of record, but are operated and/or managed by a not-for profit or for profit organization.

K. Unless specifically noted the term's facility and provider shall have the same meaning for all sections of this reimbursement plan.